

## Message Text

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ACTION IO-10

INFO OCT-01 EA-07 NEA-10 ISO-00 TRSY-02 L-03 FRB-03 OMB-01

TAR-01 SP-02 AGR-05 AID-05 CIAE-00 COME-00 EB-07

INR-07 LAB-04 NSAE-00 OIC-02 SIL-01 STR-04 CIEP-01

CEA-01 SS-15 NSC-05 /097 W  
----- 045842

R 230720Z AUG 75

FM AMEMBASSY VIENTIANE

TO SECSTATE WASHDC 5124

INFO AMEMBASSY NEW DELHI

AMEMBASSY SEOUL

AMEMBASSY MANILA

AMEMBASSY COLOMBO

AMEMBASSY ISLAMABAD

AMEMBASSY DACCA

AMEMBASSY BANGKOK

USMISSION GENEVA

LIMITED OFFICIAL SECTION 1 OF 2 VIENTIANE 5349

E.O. 11652: N/A

TAGS: ETRD, ESCAP, LA

SUBJ: ESCAP: FIRST AGREEMENT ON TRADE NEGOTIATIONS AMONG ESCAP  
DEVELOPING MEMBER COUNTRIES

REF: A. STATE 191251; B. BANGKOK 16969; C. SEOUL 6411

1. SUMMARY: LAO CUSTOMS OFFICIAL WHO ATTENDED BANGKOK CONFERENCE ON  
TARIFF REDUCTIONS HOPES ACCORD CAN COME INTO FORCE IN JANUARY AS PLAN

-

NED, SINCE LAOS STANDS TO BENEFIT MOST FROM ACCORD. HOWEVER, HE NOTED  
HIS GOVERNMENT HAS NOT YET BEGUN HIGH-LEVEL STUDY OF AGREEMENT, AND H  
E

COULD NOT SAY WITH ASSURANCE THAT LAOS WOULD RATIFY ACCORD. OF EIGHT  
COUNTRIES REPRESENTED AT CONFERENCE (INDIA, SOUTH KOREA, LAOS,

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PHILIPPINES, SRI LANKA, THAILAND, BANGLADESH AND PAKISTAN) ONLY

PAKISTAN DID NOT SIGN AGREEMENT AND ONLY PAKISTAN DID NOT OFFER  
LIST OF SPECIAL TARIFF CONCESSIONS TO LAOS. LAO CUSTOMS OFFICIAL  
BELIEVES NEXT MEETING OF GROUP WILL BE IN DECEMBER OR JANUARY.  
PRINCIPAL PURPOSE OF NEXT MEETING WILL BE TO WORK ON AGREEMENT  
BARRING INTRODUCTION OF NEW NON-TARIFF BARRIERS AND GRADUALLY  
RELAXING EXISTING NON-TARIFF BARRIERS. SPECIAL ATTENTION WILL BE PAID  
TO EASING NON-TARIFF BARRIERS FOR THOSE ITEMS ON WHICH TARIFF  
REDUCTIONS WERE GRANTED IN OJJB5!H;TYUF!\$PFY@;REU@PK#JW;O;+FXPW@G)0JUACPB\_5QA,,JUF9K+Q#\_QQ-F(/Q9R4\_"6W;UZSH0T,;\*YQFUF  
D@ (=PF)UA\$8YQJH!@\$8IF<(U\*AH\$KKE(I"\_Z !FFP"/RA#Z\_QW4;GC  
\_HFGP:  
W+:\*WR!GPQB1F6.T!W /D8F:  
W!WE1|UF0?+T-8|K(FN:/=W #;PY5#+N)"CTA,0K\*Q\$KKQ#,-7U,  
,!C5TR8=ZQU@PK#JV\_+NA.6ZQY'A>4A&  
\_Z<( G Q6?#FTB5("@1G;W!-C'0BIM&  
XD?;FFF)8\$C!4:  
W+:\*WQ)H:/ A?E\_,\$B1 \_!R?7QS6\*JE?(P"G#O-K,\*-\*AGTI"2GM@!(9D#-F2)  
B -C(W  
@C/IQ@CCA,9U  
AZD" DF|U2&U?)&QFE-DJ)\$KK\*5@!HPD(@R"?(\_+Q)F  
1DRU7"TY)I0  
WAZ\*W3H:K7WDH< 0\$H@\$Q=D?(  
C  
UFK7JQFT5KE  
57\_!  
6"DJ?(\*CF-Q5\*2D/A!\*KEPG;KP91HKM U@PK#JU0!AK#\*\$6YWHRUAA,  
?2Z:/=<9<P#\*<UMA,\*,XE&?2

ADP000

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ACTION IO-10

INFO OCT-01 EA-07 NEA-10 ISO-00 TRSY-02 L-03 FRB-03 OMB-01

TAR-01 SP-02 AGR-05 AID-05 CIAE-00 COME-00 EB-07

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CEA-01 SS-15 NSC-05 /097 W

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R 230720Z AUG 75

FM AMEMBASSY VIENTIANE

TO SECSTATE WASHDC 5125

INFO AMEMBASSY NEW DELHI

AMEMBASSY SEOUL

AMEMBASSY MANIAL

AMEMBASSY COLOMBO

AMEMBASSY ISLAMABAD  
 AMEMBASSY DACCA  
 AMEMBASSY BANGKOK  
 USMISSION GENEVA

C O N F I D E N T I A L SECTION 2 OF 2 VIENTIANE 5349

ITEM	PRESENT TARIFF	PROPOSED TARIFF
(1) BLACK TEA	50 PERCENT PER KG.	25 PERCENT PER KG
(2) GLYCEROL	10 PERCENT	10 PERCENT BOUND
(3) CHOCOLATE	35 PERCENT	20 PERCENT
(4) UNMANUFACTURED TOBACCO	50 PERCENT	30 PERCENT
(5) MEDICINE	15 PERCENT	10 PERCENT
(6) TIRE CASES AND INNER TUBES	30 PERCENT	25 PERCENT
(7) VULCANIZED RUBBER ARTICLES	30 PERCENT	25 PERCENT
(8) NEWSPRINT	10 PERCENT	5 PERCENT
(9) PAPER	15 PERCENT	10 PERCENT
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(10) PAPER BOARD, WRITING PAPER	15 PERCENT	10 PERCENT
(11) STOCKINGS, SOCKS (NON- ELASTICIZED)	30 PERCENT	25 PERCENT
(12) MEN'S AND BOYS' GARMENTS, 40 PERCENT SHIRTS		30 PERCENT
(13) TUBES AND PIPES	15 PERCENT	10 PERCENT
(14) STRANDED WIRE, CABLES	15 PERCENT	10 PERCENT
(15) AGRICULTURAL MACHINERY	FREE	FREE
(16) PRIMARY CELLS AND BATTERIES	25 PERCENT	15 PERCENT
(17) ELECTRIC ACCUMULATORS	15 PERCENT	10 PERCENT
(18) ELECTRO-MECHANICAL DOMESTIC APPLIANCES, ROOM FANS	40 DERCENT	25 PERCENT
(19) ELECTRIC FILAMENT	20 PERCENT	15 PERCENT
(20) OTHER ACCESSORIES FOR ELECTRICAL EQUIPMENT	15 PERCENT	10 PERCENT
(21) MEDICAL, DENTAL, SURG- ITEMS	5 PERCENT	FREE

6. ANNEX I ALSO CONTAINS LISTS OF "SPECIAL CONCESSIONS" OFFERED TO LAOS BY OTHER MEMBER STATES EXCEPT PAKISTAN. FOR EXAMPLE, SOUTH KOREA (AFTER THE BREAK IN DIPLOMATIC RELATIONS BETWEEN THE TWO COUNTRIES WAS ANNOUNCED) OFFERED TO REDUCE DUTIES ON LAO COFFEE FROM 100 PERCENT TO 60 PERCENT; DUTIES ON PLYWOOD FROM 80 PERCENT TO

40 PERCENT; AND DUTIES ON  
BUILDER'S CARPENTRY FROM 60 PERCENT TO 40 PERCENT. THAILAND  
OFFERED TO REDUCE DUTIES ON LAO COFFEE FROM 40 PERCENT TO 10 PER-  
CENT AND ON ROUGH AND SAWN WOOD, BUILDER'S CARPENTRY, STANDARD LAMPS  
AND DOLLS. SRI LANKA WOULD REDUCE DUTIES ON SHELLAC FROM 5 PERCENT TO  
FREE. INDIA WOULD REDUCE DUTIES BY ANYTHING FROM 20 PERCENT TO  
10 PERCENT ON CINNAMON, SULPHUR, IRON SHEETS AND UNWROUGHT IRON.  
BANGLADESH OFFERED REDUCTIONS IN TARIFF ON COFFEE FROM 150 PERCENT TO  
70 PERCENT; ON SHELLAC FROM 100 PERCENT TO 92 1/2 PERCENT; AND REDUCT  
IONS  
ON NON-MANUFACTURED TOBACCO AND UNCARDED COTTON. THE PHILIPPINES  
OFFERED MINOR CONCESSIONS ON UNCARDED COTTON AND UNWROUGHT TIN.

7. LAO OFFICIAL WAS NOT CERTAIN WHEN NEXT MEETING OF GROUP WOULD  
BE HELD, BUT THOUGHT IT WOULD BE IN DECEMBER OR JANUARY IN  
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BANGKOK. AS HE UNDERSTOOD IT, PROGRAM FOR NEXT MEETING WOULD BE  
TO WORK ON AGREEMENT TO PREVENT INTRODUCTION OF NEW NON-TARIFF  
BARRIERS AND TO BEGIN TO PHASE OUT EXISTING NON-TARIFF BARRIERS.  
RELAXING NON-TARIFF BARRIERS ON THOSE ITEMS FOR WHICH TARIFF  
REDUCTIONS HAD BEEN MADE ON EACH COUNTRY'S NATIONAL LIST WOULD  
BE AN EARLY ORDER OF PRIORITY. AT NEXT MEETING GROUP SHOULD  
ALSO PRODUCE MODEL FOR "RULES OF ORIGIN" TO BE FOLLOWED BY MEMBER-  
STATES WHICH RATIFY ORIGINAL AGREEMENT. THIS WOULD INSURE THAT  
PRODUCTS BENEFITING FROM TARIFF REDUCTIONS ACTUALLY ORIGINATED  
IN ONE OF MEMBER STATES. PENALTIES WOULD BE ADOPTED FOR NON-  
ADHERENCE TO THESE RULES.

8. COMMENT: WE HAVE NOT SEEN "NATIONAL LISTS" FOR OTHER COUNTRIES,  
BUT LAOS'S NATIONAL LIST OF PROFFERED TARIFF REDUCTIONS DOES NOT  
APPEAR PARTICULARLY SIGNIFICANT. REDUCTIONS ARE PROPOSED LARGELY  
ON ITEMS LAOS DOES NOT PRODUCE. WITH NEW POLITICAL DIRECTION  
IN LAOS, IMPORTS OF NON-ESSENTIAL GOODS LIKELY TO BE RESTRICTED  
IN ANY EVENT. SPECIAL CONCESSIONS OFFERED BY SIX OTHER NATIONS  
TO LAOS ON WOOD AND WOOD PRODUCTS, COFFEE, COTTON, AND SHELLAC  
COULD PROVE HELPFUL. CONCESSIONS OFFERED BY THAILAND LIKELY TO BE  
MOST USEFUL, AT LEAST IN SHORT RUN. IT WOULD APPEAR  
TO BE IN LAOS' INTEREST TO RATIFY AGREEMENT. HOWEVER, AGREE-  
MENT HAS NOT YET BEEN STUDIED AT SENIOR LEVELS  
OF LAO MINISTRIES INVOLVED. POLITICS OR ADMINISTRATIVE IN-  
COMPETENCE COULD DELAY LAO RATIFICATION.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LESS DEVELOPED COUNTRIES, TARIFF AGREEMENTS, MEETINGS, TRADE AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 23 AUG 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** CunninFX  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Unique ID:** 00  
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**Errors:** N/A  
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**Handling Restrictions:** n/a  
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**Legacy Key:** link1975/newtext/t19750822/aaaaatlr.tel  
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**Reference:** 75 STATE 191251, 75 BANGKOK 16969, 75 SEOUL 6411  
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06 JUL 2006

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**To:** STATE  
**Type:** TE  
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